



THE CITY OF SAN DIEGO

MAYOR JERRY SANDERS

FACT SHEET
PERSONAL INFORMATION SECURITY BREACH
JANUARY 17, 2006

What Happened?

- On Thursday, January 12, the U.S. Postal Inspection Service (USPIS) and CATCH Team (the Computer and Technology Hi-Tech Response Team), a multi-agency task force, arrested Jacqueline Lawrence, a San Diego City employee (16 year General Services department employee), for mail theft, forgery, identity theft and computer related crimes. The suspect is being arraigned today at 1:30pm.
- The suspect is alleged to have used her position as a City employee to access the water billing system to obtain customers' personal identifying information.
- **The San Diego Police Department believes that the City-related identity theft crimes were limited only to four victims, one of whom was the suspect's immediate supervisor. All known victims have been notified.**

Magnitude: The Police Department believes that the City-related identity theft is limited to four victims, all of whom have been notified.

- The suspect is also alleged to have stolen mail from post office boxes so that she could obtain personal identifying information to obtain credit to order products on line. The USPIS is pursuing this portion of the investigation.
- Investigations of this type typically last several months and will include forensics work on the suspect's computer.
- While the City has every reason to believe that the breach was limited to a very small number of individuals, Mayor Sanders has directed the Water Department to notify all of its customers of this security breach. He has further directed the appropriate City departments to put in place remediation plans to prevent these kinds of breaches in the future.

Sanders is Making Sure This Can't Happen in the Future

- On the Mayor's orders, personal identifying information, such as Social Security numbers and drivers license numbers on the water computer system has been blocked to all employees.

The Water Department has commenced replacing their 20 year old billing system with a more modern and secure application which will further ensure the protection of personal data.

- The Mayor has ordered that similar controls be put in place at other City departments that use personal identifying information.
- The Mayor has requested his staff to conduct a top-down review of the use and protection of all consumer data through City government. Because the issue is one of internal controls, the Mayor has asked City Auditor John Torell to lead this effort.
- Consistent with best practices for the prevention of Identity Theft, the Mayor will ask Torell to incorporate the following workplace handling practices into his policy: a comprehensive privacy policy; proper disposal of documents; storage of personal data in secure computer systems; regular staff training, including employee awareness related to sensitivity; limits on data collection; restricting data access to staff; and auditing compliance, among others.

“City employees are honest individuals who have chosen public service as their careers. Every single one of our 11,000 employees join me in expressing outrage for the shame that this bad seed has cast on the good name of our dedicated workforce.”

Mayor Jerry Sanders

How is the City Notifying its Customers?

- Firsts, by of the Mayor's press conference.
- Customers will receive detailed notice of the breach by way of a mailing from the City. The mailing will contain useful tips on how to place a fraud alert and how to request a copy of their credit report.
- In the meantime, consumers can access information at www.sandiego.gov.

Page 3

- Although the City of San Diego Water Department also provides water to the citizens of Imperial Beach and Coronado (through Cal-Am), the Water Department does not bill those accounts, therefore no privileged information has been breached with respect to those accounts.

Q&A

- **Q: Should Water System customers be concerned that their personal information has been stolen?**

A: At this point, the San Diego Police Department believes that only four individuals have been victimized. All four individuals have been notified.

- **Q: What steps should consumers take to protect their credit?**

A: There are two steps consumers can take to help protect their credit:

1. **Place a fraud alert on their credit file.** A fraud alert reduces consumers' risk against the possibility of an identity thief opening accounts in their name. Consumers can report potential identity theft by contacting the three major credit reporting bureaus through their automated telephone systems. By calling all three bureaus, consumers will be able to flag their files for 90 days. Once an alert has been placed, consumers will be sent information on how to get a free copy of their credit reports from all three bureaus. As a possible victim of identity theft, consumers will not be charged for these copies.

Consumers also need to be aware that identity theft thieves sometimes hold for the information for 90 days or more before using it, assuming a consumer will believe the danger has passed and will stop monitoring their credit. Therefore, consumers must remain vigilant and make routine credit checks a part of their personal financial programs.

Contact Information for the three major credit bureaus:

TransUnion	1-800-680-7289	www.transunion.com
Experian	1-888-397-3742	www.experian.com
Equifax	1-800-525-6285	www.equifax.com

(The City has informed the three bureaus to anticipate requests for fraud alerts.)

2. **In addition, consumers should check their credit reports at least once a year.** January is an ideal time to develop a habit of checking credit reports. The law allows

Page 4

consumers to order a free annual credit report from each of the three credit bureaus – Equifax, Experian, and TransUnion.

Ordering one report every four months is a cheap and easy way to monitor credit reports and detect signs of identity theft. Consumers should look for unfamiliar accounts or activity. Each credit bureau will have slightly different information so if consumers are considering making a major purchase, such as a car, house or school loan, it is a good idea to review all three reports at one time rather than every four months.

Consumers can order their free credit report by calling 1-877-322-8228.

Q: Will the City make a resource available to consumers immediately?

A: Yes. Although we believe that the City-related identity theft is limited to four victims, all of whom have been contacted, consumers with questions can reach the Water Department at

619-515-3500, Monday through Friday from 7:30am to 5:00pm. Alternatively, consumers can access similar information on the web at: www.sandiego.gov

Q: What online resources might be helpful to consumers?

A: There are some excellent online resources for consumers interested in further information on identity theft:

Federal Trade Commission	www.consumer.gov/idtheft
CA Office of Privacy Protection	www.privacy.ca.gov
Privacy Rights Clearinghouse	www.privacyrights.org/identity.htm
Identity Theft Resource Center	www.idtheftcenter.org

Credit/Resources used to compile this fact sheet: CATCH Team, Identity Theft Resource Center, Privacy Rights Clearinghouse

###

Message from Mayor Jerry Sanders

As your mayor, it's my responsibility to keep you informed on the actions of City government. Recently, a City employee with access to personal information was arrested for her use of that information to obtain fraudulent credit. The employee had access to confidential information in the City's Water Department's computer system. At this time, the San Diego Police Department believes that her City-related identity theft is limited to four victims, all of whom have been notified.

<p><u>The San Diego Police Department believes that the City-related identity theft is limited to four victims. All known victims have been notified.</u></p>
--

I am personally outraged that this individual violated the trust you placed in us by sharing confidential information with the City of San Diego. We are taking immediate corrective action to ensure this can't happen again. The danger here is not what happened as a result of the actions of this low level employee; it's what could have happened. That's the danger and that's what I am now addressing. No one should be able to game our systems.

Read below to see what you can and should do to protect your credit. I will keep you posted on this important issue.

What is the City doing to make sure this never happens again? I have immediately directed City managers to put controls in place so that this can never happen again.

On my orders, personal identifying information such as Social Security numbers and drivers license numbers on the Water Department computer system, have been blocked to all employees.

Additionally, we are conducting a top-down review to make sure that consumer data is protected throughout City government.

If you are one of our water customers, you will receive notice of this security breach by mail with detailed information on how to protect your credit.

What steps should I take to help protect my credit? There are two steps consumers can take:

- 1. Place a fraud alert on their credit file.** A fraud alert reduces consumers' risk against the possibility of an identify thief opening accounts in their name. Consumers can report potential identity theft by contacting the three major credit reporting bureaus through their automated telephone systems. By calling all three bureaus, consumers will be able to flag their files for 90 days. Once an alert has been placed, consumers will be sent information on how to get a free copy of their credit reports from all three bureaus. As a possible victim of identity theft, consumers will not be charged for these copies.

Consumers also need to be aware that identity theft thieves sometimes hold for the information for 90 days or more before using it, assuming a consumer will believe the danger has passed and will stop monitoring their credit. Therefore, consumers must remain vigilant and make routine credit checks a part of their personal financial programs.

Contact Information for the three major credit bureaus:

TransUnion	1-800-680-7289	www.transunion.com
Experian	1-888-397-3742	www.experian.com
Equifax	1-800-525-6285	www.equifax.com

(The City has informed the three bureaus to anticipate requests for fraud alerts.)

- 2. In addition, consumers should check their credit reports at least once a year.** January is an ideal time to develop a habit of checking credit reports. The law allows consumers to order a free annual credit report from each of the three credit bureaus – Equifax, Experian, and TransUnion.

Ordering one report every four months is a cheap and easy way to monitor credit reports and detect signs of identity theft. Consumers should look for unfamiliar accounts or activity. Each credit bureau will have slightly different information so if consumers are considering making a major purchase, such as a car, house or school loan, it is a good idea to review all three reports at one time rather than every four months.

Consumers can order their free credit report by calling 1-877-322-8228.

Will the City make a resource available to consumers immediately?

Yes. Although we believe that the City-related identity theft is limited to four victims, all of whom have been contacted, consumers with questions can reach the Water Department at 619-515-3500, Monday through Friday from 7:30am to 5:00pm. Alternatively, consumers can access similar information on the web at: www.sandiego.gov

What online resources might be helpful to consumers?

There are some excellent online resources for consumers interested in further information on identity theft:

CATCH Team	www.catchteam.org
Identity Theft Resource Center	www.idtheftcenter.org
Privacy Rights Clearinghouse	www.privacyrights.org/identity.htm
Federal Trade Commission	www.consumer.gov/idtheft
CA Office of Privacy Protection	www.privacy.ca.gov

“City employees are honest individuals that have chosen public service as their careers. Every single one of our 11,000 employees join me in expressing outrage for the shame that this bad seed has cast on the good name of our dedicated workforce. ”

Mayor Jerry Sanders